



WARRANTIES



The information provided in this document is meant for the sole use of Active Duty service members, retirees, their families, and those individuals eligible for legal assistance. The information is general in nature and meant only to provide a brief overview of various legal matters. Rights and responsibilities vary widely according to the particular set of circumstances in each case. Laws can vary across states, services, and civilian jurisdictions and laws are changed from time to time. Do not rely upon the general restatements of background information presented here without discussing your specific situation with a legal professional.

Before you make a major purchase, there is an important promise you should read. It is called the warranty – the manufacturer's or seller's promise to stand behind a product. Warranties vary in the amount of coverage they provide. So, just as you compare the style, price, and other characteristics of competing products before you buy, also compare their warranties. The Magnuson-Moss Act of 1975 requires that if a manufacturer offers a warranty, it must be available for you to read before you make a purchase.

Written Warranties

Written warranties come with most major purchases, although this is not legally required. The protection offered by written warranties varies greatly, so it is important to compare warranties before making a purchase. Here are some questions to keep in mind when comparing warranties:

1. What parts and repair problems are covered by the warranty?

Check to see if any parts of the product or types of repair problems are excluded from coverage.

2. Are any expenses excluded from coverage?

Some warranties require you to pay for labor charges.

3. How long does the warranty last?

Check the warranty to see when it expires.

4. What will you have to do to get repairs?

Look for conditions that could prove expensive, such as a requirement that you ship a heavy object to a factory for servicing.

5. What will the company do if the product fails?

Find out if the company will repair it, replace it, or return your money.

6. Does the warranty cover "consequential damages?"

Many warranties do not cover consequential damages. This means that the company will not pay for any damage the product caused, or your time and expense in getting the damage repaired. For example, if your freezer breaks and the food spoils, the company will not pay for the food you lost.

7. Are there any conditions or limitations on the warranty?

Some warranties will only provide coverage if you maintain or use the product as directed. For example, a warranty may cover only personal uses – as opposed to business uses – of the product. Make sure the warranty will meet your needs.



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Spoken Warranties

Sometimes a salesperson will make an oral promise, for example, that the store will provide free repairs. However, if this claim is not in writing, you may not be able to get the promised service. **Do not count on the service unless the salesperson puts it in writing.**

Service Contracts

When you buy a car, home, or major appliance, you may be offered a service contract. Although often called "extended warranties," service contracts are not warranties. Warranties are included in the price of the product. Service contracts come separately from the product, at an extra cost. To decide whether you need a service contract, you should consider several factors: whether the warranty already covers the repairs that you would get under the service contract; whether the product is likely to need repairs and their potential cost; how long the service contract is in effect; whether you will take the product overseas where it is likely the service contract will be of no use to you; and the reputation of the company offering the service contract.

Implied Warranties

Although written warranties are not required by law, there is another type of warranty that is. It is called an "implied" warranty. State law creates implied warranties, and all states have them. Almost every purchase you make is covered by an implied warranty. The most common type of implied warranty is called a "warranty of merchantability." This means that the seller promises that the product will do what it is supposed to do. For example, a car will run, and a toaster will toast.

Another type of implied warranty is the "warranty of fitness for a particular purpose." This applies when you buy a product on the seller's advice that it is suitable for a particular use. For example, a seller who suggests that you buy a certain sleeping bag for zero-degree weather warrants that the sleeping bag will be suitable for zero degrees. If your purchase does not come with a written warranty, it is generally still covered by implied warranties unless the product is marked "as is," or the seller otherwise indicates in writing that no warranty is given. Some states do not permit "as is" sales.

If problems arise that are not covered by the written warranty, you should investigate the protection given by your implied warranty. The length of coverage for implied warranties varies from state to state. A lawyer or a state consumer protection office can provide more information about implied warranty coverage in your state.

Lemon Laws

Many states also have laws requiring dealers to replace new cars or refund the purchase price if the new car has substantial defects that cannot be repaired. These laws are called lemon laws. In most states that have lemon laws, a dealer must be given opportunities to fix the problem. Generally, if it cannot be fixed or if the car is in the shop for 30 or more days during its first year of service, the dealer must replace the car or refund the purchase price. This has been a very effective remedy in states with such laws.

Preventing Problems



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To minimize the chance of a problem with your warranty, take these precautions:

- Research the reputation of the company offering the warranty with local or state consumer protection offices or the Better Business Bureau. A warranty is only as good as the company that offers it.
- Before you buy, read the warranty. See exactly what protection the warranty gives you.
- Save the sales slip and file it with your warranty. You may need it to document the date of your purchase or, in the case of a warranty limited to first purchasers, to prove that you were the original buyer.
- Perform any maintenance or inspections required by the warranty.
- Use the product according to the manufacturer's instructions. Abuse or misuse of the product may cancel your warranty coverage.

Resolving Disputes

If you are faced with any problems with a product or with obtaining the promised warranty service, here are some steps you can take.

1. Read your product instructions and warranty carefully. Do not expect features or coverage that were never promised. Having a warranty does not mean that you automatically get a refund if a product is defective. The company may be entitled to try to fix it first. But if you reported a defect to the company during the warranty period and the product was not fixed, the company must correct the problem, no matter how long it takes.
2. Discuss your complaint with the retailer. Disputes can usually be resolved at this level. But if you cannot reach an agreement, write the manufacturer. Your warranty should list the company's mailing address. **Send all letters by certified mail and keep copies.**
3. If you cannot get satisfaction from the retailer or manufacturer, contact your local consumer protection agencies. They may be able to help.
4. Inquire about dispute resolution organizations, which arbitrate disagreements if both you and the company are willing. The company or a local consumer protection office can tell you the organization to contact. Consult your warranty – dispute resolution may be a required first step before going to court. Also, some state lemon laws require dispute resolution before court action.
5. Most states have small claims courts. If the amount of money in dispute is relatively small, usually below \$10,000, you can file a lawsuit in a small claims court. The costs are low, procedures are simple, and lawyers are usually not needed. The clerk of the small claims court can tell you how to bring your lawsuit and what the dollar limits are in your state.
6. If none of these actions resolves your dispute, you may want to consider a lawsuit. The Magnuson-Moss Act allows you to sue for damages or for any other type of relief the court awards, including legal fees. A local military legal assistance attorney will be able to advise you whether to proceed with a lawsuit.